



New Hampshire

Benefits From Exports

New Hampshire's export sales of merchandise in 2000 totaled \$2.48 billion, up more than 28 percent from 1997 and 118 percent higher than the 1993 value of \$1.13 billion. Over the 1993–2000 period, New Hampshire's exports posted the ninth largest percentage gain among the 50 states.

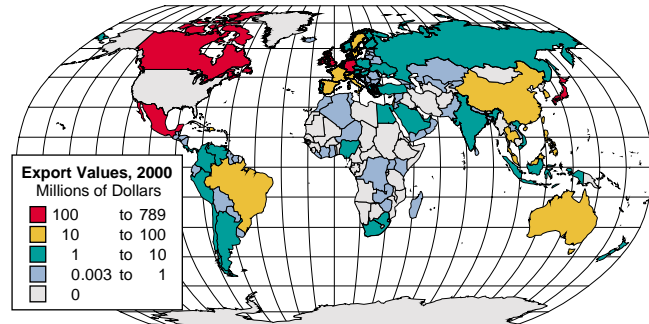
The state's exports have also grown rapidly on a per capita basis. In 2000, the value of exports for every state resident was \$2,003, nearly double the 1993 per capita figure of \$1,011.

New Hampshire exported globally to 141 foreign destinations in 2000, up from 136 markets in 1997. Canada is traditionally New Hampshire's most important market, and accounted for 32 percent—nearly one-third—of 2000 exports. The state's other major markets, each with over \$100 million in 2000 sales, are Germany, the United Kingdom, Ireland, Japan, Hong Kong, and Mexico.

New Hampshire's biggest growth market, in dollar terms, is Canada. From 1997 to 2000, export sales to Canada increased from \$672 million to \$789 million, an increase of \$117 million. Other major growth markets—each with 1997–2000 export gains of more than \$20 million—include Ireland, Hong Kong,

NEW HAMPSHIRE EXPORTED GOODS WORTH \$2.5 BILLION TO 141 FOREIGN MARKETS IN 2000

Dollar Value of New Hampshire's Merchandise Exports to Foreign Markets, 2000



Source: U.S. Department of Commerce, Exporter Location Series.

Brazil, the United Kingdom, Taiwan, Germany, Mexico, and the Netherlands.

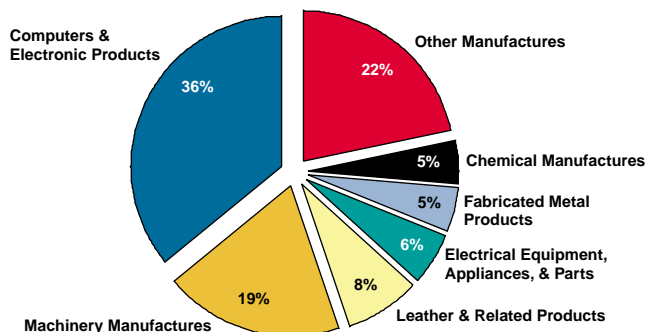
Among the state's top 25 export destinations, the most rapidly growing markets over 1997–2000 period were Brazil, Sweden, Malaysia, and Hong Kong. Exports to each of these markets more than doubled.

New Hampshire's leading export categories in 2000 were computers and electronic products (\$832 million), and machinery manufactures (\$445 million). Together, these two product groups accounted for more than half the state's total exports. Other important

exports were leather products (\$185 million) electrical equipment, appliances, and parts (\$131 million), fabricated metal products (\$110 million), chemical manufactures (\$109 million), and transportation equipment (\$103 million).

Within New Hampshire, exports from the Manchester metropolitan area in 1999 totaled \$237 million, up from the 1993 total of \$107 million. This represents a gain of 122 percent—the 38th largest percentage increase among the 253 U.S. metro areas for which export figures are available. The Portsmouth-Rochester metro area (part of which is in Maine) recorded exports of \$588 million in 1999, up 27 percent from 1993.

NEW HAMPSHIRE EXPORTS A WIDE RANGE OF MANUFACTURES: \$2.31 BILLION IN 2000



Note: Manufactures are a subcategory of total merchandise exports, which also include mining commodities and unprocessed agricultural products.

Source: U.S. Department of Commerce, Exporter Location Series.

Exports Support Good Jobs

Export-related jobs tend to be good, high-paying jobs. Wages of workers in jobs supported by merchandise exports range 13–18 percent higher than the national average. Export-related jobs are also more secure: Exporting plants are 9 percent less likely to shut down than comparable nonexporting plants.

New Hampshire's work force is among the most export-dependent in the nation. In 1997 (latest available data), the state relied on manufactured exports for 52,900 jobs. Export-supported jobs accounted for an estimated 10.5 percent of the state's total private sector employment—more than one of every ten jobs and well above the national average of 7.2 percent.

Manufactured exports supported 25,400 jobs—more than one of every four workers—in New Hampshire's manufacturing industries. More than 60 percent of the state's export-related manufacturing jobs were in three sectors: computers and electronic products, machinery manufactures, and fabricated metal products.

Exports of manufactured goods also indirectly supported 27,500 jobs in the state's nonmanufacturing industries, including 3,800 workers in business services, 3,100 in transportation services, 8,500 in wholesale-retail trade, and 12,100 in other non-manufacturing sectors such as mining and agriculture. These industries supply manufacturers with a wide range of inputs needed to produce goods for export.

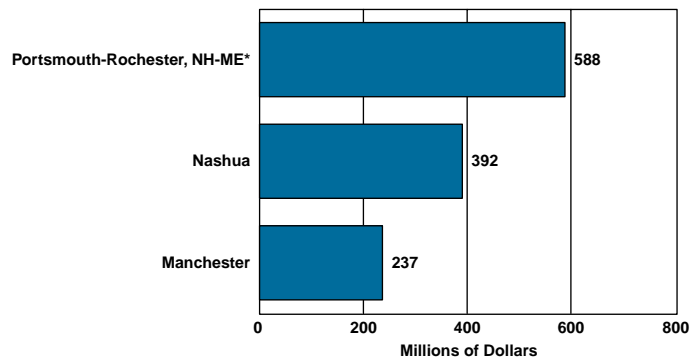
TRADE PROMOTION AUTHORITY— KEY TO OPENING WORLD MARKETS

U.S. Trade Promotion Authority (also known as TPA or "fast track") is essentially an agreement between the President and Congress on how market-opening trade negotiations will be conducted and agreements approved.

Under TPA, the President involves Congress in trade negotiations from the start; Congress, in exchange, agrees to vote yes or no on any resulting agreement in its entirety, without amendments. The two branches set negotiating objectives and consult during trade talks while inviting public comment. This open process allows problems to be identified and resolved during negotiations, when agreement is most easily achieved.

TPA preserves the ability of the United States to protect public health, safety, and the environment.

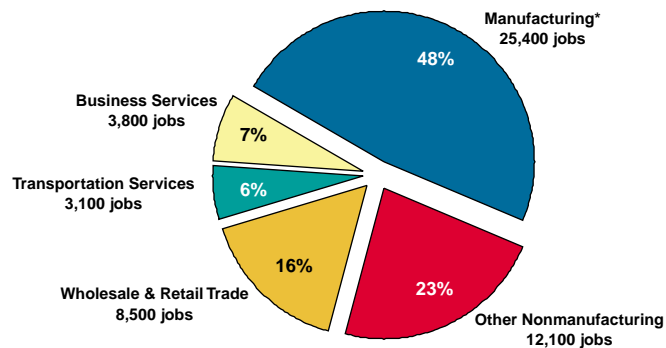
THREE NEW HAMPSHIRE METRO AREAS POSTED EXPORTS OF \$200 MILLION OR MORE IN 1999



*This metro area partially overlaps into an adjacent state.

Source: U.S. Department of Commerce, Exporter Location Series.

52,900 NEW HAMPSHIRE JOBS DEPENDENT ON MANUFACTURED EXPORTS IN 1997



*Includes 200 jobs tied to exports of processed foods.

Source: U.S. Department of Commerce, Bureau of the Census, Manufacturing & Construction Division.

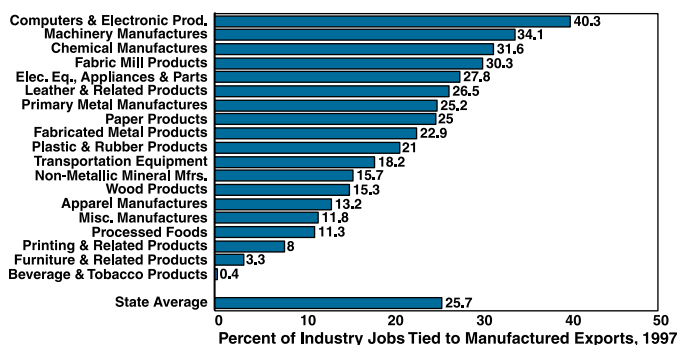
Exports Help Small Business

Exports have broadly benefited New Hampshire businesses, both large and small. A total of 2,281 companies exported from New Hampshire locations in 1998. Nearly 82 percent of these companies, accounting for 39 percent of the state's total exports, were small and medium-sized firms that had fewer than 500 employees. In fact, nearly 70 percent of all New Hampshire exporters were small firms with fewer than 100 workers.

Foreign Competitors Are Not Standing Still

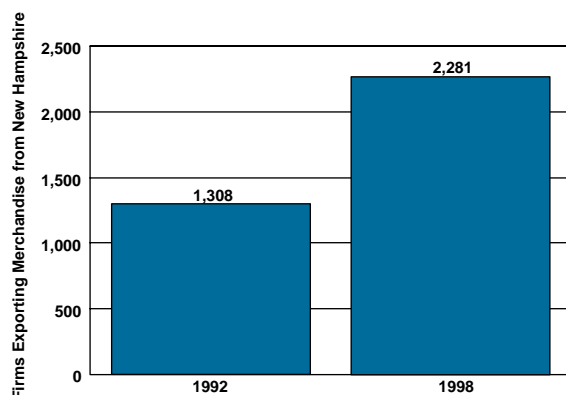
While previous rounds of trade negotiations were highly successful in reducing trade barriers, much work remains to be done to level the playing field for U.S. businesses. In fact, the United States has fallen behind our trading partners in combating market

MORE THAN ONE-FOURTH OF MANUFACTURING JOBS IN NEW HAMPSHIRE WERE TIED TO EXPORTS IN 1997



Note: In 1997, 25.7 percent of the 98,900 manufacturing jobs in New Hampshire were tied to manufactured exports—some 25,400 jobs. For any given manufacturing sector, export-related employment includes all workers producing goods for exports or of inputs to the export manufacturing process.
Source: U.S. Department of Commerce, Bureau of the Census, Manufacturing & Construction Division.

THE NUMBER OF COMPANIES EXPORTING FROM NEW HAMPSHIRE ROSE 74 PERCENT FROM 1992 TO 1998



Source: U.S. Department of Commerce, Exporter Data Base.

barriers through free trade agreements. The United States is a party to just two of the estimated 130 free trade agreements in force worldwide. In comparison, the European Union has FTAs with 27 countries. Since U.S. tariffs are already low compared to those of our trading partners, the United States has a great deal to gain from future negotiations aimed at prying open foreign markets.

New Hampshire Industries Can Gain From Trade Negotiations

New Hampshire's exporters still face many tariff and nontariff barriers abroad, especially in developing countries. While developing nations are among the most promising markets, they also tend to have high levels of import protection. Trade negotiations aimed at reducing these barriers will significantly benefit New Hampshire's businesses across many industrial sectors.

Information technology. New Hampshire's high-tech businesses are beneficiaries of the Information Technology Agreement. The agreement eliminates duties on the entire IT sector in major markets throughout the world, with the exception of the larger markets of Latin America. Tariffs on IT products in key Latin American markets remain as high as 30 percent. Beyond tariffs, IT products also face such nontariff restrictions as redundant testing and certification requirements. U.S. suppliers, including those in New Hampshire, would likely see sales rise if remaining barriers on IT products were eliminated.

Industrial machinery. Further reductions in tariff and nontariff barriers through new negotiations would greatly expand opportunities for New Hampshire's machinery exports. While the state's industrial machinery exporters have benefited from tariff reductions in previous trade agreements, the industry continues to face barriers in many markets throughout the world. For example, tariffs on industrial machinery are as high as 30 percent in Brazil and India. This sector also suffers from the many import restrictions maintained in potentially lucrative markets, including nontransparent and preferential government procurement practices, deficiencies in intellectual property protection, investment barriers, and the increasing use of standards as nontariff barriers to trade. In addition, restrictions on the ability to provide after-sales service greatly inhibit market access for U.S. manufacturers of complex machinery.

NEW HAMPSHIRE: WHY TRADE PROMOTION AUTHORITY?

Trade Promotion Authority is critical for removing remaining barriers to exports of New Hampshire goods and services.

New Hampshire exporters still face major trade barriers in such sectors as information technology, industrial machinery, leather products, and scientific equipment.

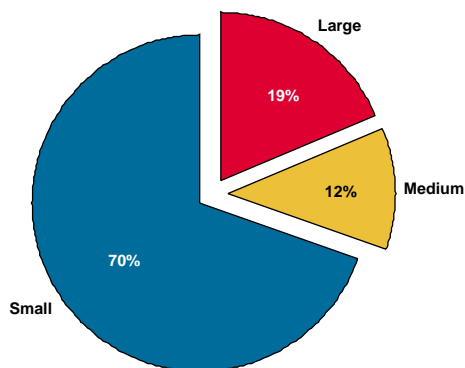
With the United States on the sidelines, foreign competitors are forging ahead and pursuing their own market-opening agreements.

New Hampshire's economy is export-dependent, with export sales of \$2,003 for every state resident.

Nearly 53,000 New Hampshire jobs depend on exports of manufactured goods.

2,281 companies—including 1,854 small and medium-sized businesses—export from New Hampshire.

82 PERCENT OF NEW HAMPSHIRE'S 2,281 EXPORTING FIRMS IN 1998 WERE SMALL AND MEDIUM-SIZED ENTERPRISES



Small = less than 100 employees; medium = 100–499 employees; large = 500 or more employees.
Source: U.S. Department of Commerce, Exporter Data Base.

Leather and allied products. New Hampshire's exporters of leather products confront both tariff and nontariff barriers that put them at a competitive disadvantage in foreign markets. In such developed markets as Australia and Europe, U.S. leather products exporters face tariffs as high as 28 percent and 17 percent, respectively. Latin American nations impose tariffs ranging from 22 percent to 35 percent, and some countries impose import quotas on leather footwear and other products. In addition, large cattle-producing countries in Latin America severely restrict exports of cattle hides in order to provide local leather industries with preferential access and prices to the leather industry's most important input.

Scientific equipment. The United States is the world's largest exporter of scientific equipment. New Hampshire's exporters of these products would benefit from market-opening initiatives, particularly tariff reductions that could result from a new World Trade Organization (WTO) round. Tariffs on scientific equipment in many Latin American countries range from 4 percent to 25 percent; those in some East Asian countries approach 40 percent. In addition to tariffs, exporters of scientific equipment also face such nontariff restrictions as cumbersome customs clearance and certification requirements.

Agriculture. New Hampshire produces and exports agricultural products. According to the U.S. Department of Agriculture, New Hampshire's agricultural exports totaled \$1 million in 1999 (including processed foods). New Hampshire already benefits from past trade agreements; however, U.S. agricultural

exports still face high tariffs and nontariff barriers worldwide.

Services. Services are the biggest component of the U.S. economy and now account for more than one-fourth (28 percent) of U.S. exports to the world. Service exports in 2000 totaled \$296 billion; the United States ran a surplus of nearly \$80 billion in services trade with the world. Exportable services include transportation services (e.g., air freight), financial services (e.g., banking, insurance) and business services (e.g., engineering, architecture). Service industries confront a wide range of barriers abroad. Trade Promotion Authority will provide added impetus to the new round of global services trade negotiations now under way

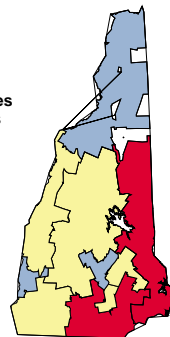
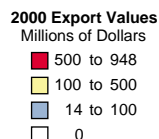
to dismantle these barriers.

Imports Also Important to New Hampshire

While exports generate clear benefits for the New Hampshire economy (jobs, wages, expanded tax base, etc.), the role of imports is less clear—especially since no import statistics are available for states on an end-user basis. Although many often equate imports with “lost” jobs, the reality is usually much more complex. For example, there is no doubt that imports supply critical inputs for many of the goods and services produced in New Hampshire, including products destined for export. Imports often play a key role in ensuring supplies of vital materials that are either scarce or simply not available domestically. More generally, imports provide consumers and businesses in New Hampshire with wider choice in the marketplace, thereby enhancing living standards and contributing to competitiveness.

EXPORTS ARE SOLD FROM ALL OVER NEW HAMPSHIRE

New Hampshire's Merchandise Exports by Three-Digit Zip Code, 2000



Note: New Hampshire's total merchandise exports in 2000 were \$2.5 billion. Unshaded areas represent national forests and parks, federal and military reservations, localities without exports, and areas where export data are suppressed due to federal disclosure regulations.
Source: U.S. Department of Commerce, Exporter Location Series.